



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: November 9, 2004

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

September 2004 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>September 2004</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$227,266,282	\$553,362,309
Percent Change	12.2%	13.1%
Corporate Income Tax		
Net Collections	\$122,368,400	\$164,604,753
Percent Change	39.2%	46.8%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$291,524,219	\$876,269,612
Change	9.2%	9.6%
Total Big Three Tax Types		
Net Collections	\$641,158,901	\$1,594,236,674
Percent Change	15.0%	13.8%

January was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be sent out.

TAX FACTS SEPTEMBER 2004

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	September 2004	September 2003*	% Change
Gross Collections	\$85,967,739	\$71,246,053	20.7
Withholding	184,456,860	179,587,853	2.7
Refunds	(12,068,936)	(17,853,058)	(32.4)
Urban Revenue Sharing	(31,089,382)	(30,422,097)	2.2
Net Collections	\$227,266,282	\$202,558,751	12.2

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)*	% Change
Gross Collections	\$111,206,517	\$94,203,056	18.0
Withholding	576,155,521	527,623,951	9.2
Refunds	(40,731,584)	(41,088,613)	(0.9)
Urban Revenue Sharing	(93,268,145)	(91,266,290)	2.2
Net Collections	\$553,362,309	\$489,472,105	13.1

*September 2003 and FYTD 03/04 refunds and net collections do not include Ladewig attorney fees.

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In September 2004, the Department issued three individual income tax refunds for alternative fuel related credits. There was \$105,127 in AFV credit on the returns. After offsetting \$9,440 in liability, \$95,687 was refunded.

Ladewig Refunds

Ladewig, a Supreme Court tax settlement case has resulted in the distribution of 49 refunds to individual income taxpayers during September 2004. These refunds totaled \$2,627 for an average of \$54. For the fiscal year, 434,789 refunds have been issued for a total of \$124,306,442 (FYTD amount accounts for cancelled warrants). Attorney payments are not included in the refund amount and total \$5,706,555 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

Individual Income Tax Document Count

In calendar year 2003, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	44,149	1,546,452	84,078	99,313	12	43,604	287,618	13,546	190,019	2,632	24	2,311,447
%	1.9	66.9	3.6	4.3	0.0	1.9	12.4	0.6	8.2	0.1	0.0	

In calendar year 2004 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	40,839	1,525,233	75,506	99,725	3	38,682	293,158	13,292	195,721	2,599	13	2,284,771
%												

The 2,284,771 returns, representing current and prior tax years, filed through September 2004 compares to 2,217,577 returns filed during the same period of time in 2003 for an annual increase of 3.0%. For tax year 2003 filed in 2004, 2,178,781 returns have been filed, a 2.6% increase over filings in September 2003 for tax year 2002.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,556,359 returns in calendar year 2004 for tax year 2003 from filers who also have returns on record from calendar year 2003 with the same marital status. On average, these filers experienced a 3.6% increase in FAGI and a 5.9% increase in tax liability. More specifically, 35.8% of these filers experienced a decrease in tax liability; on average a decrease of 36.6% with a corresponding average decrease in FAGI of 21.6%. Filers with an increase in tax liability totaled 796,721 or 51.1% with an average FAGI increase of 25.7% and an average tax liability increase of 48.4%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2004 CYTD	\$501.15	1,467,453
2003 CYTD	\$546.15	1,456,805
% Change	(8.2)	0.7

"New" Filers in Calendar Year 2004

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2004. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 235,052 "new" returns have been filed thus far in 2004, representing approximately 284,097 persons, not including dependents. The average Federal Adjusted Gross Income for these 235,052 returns is \$19,745, with an average tax liability of \$316. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.4% had a married filing joint filing status, 7.4% claimed a 65 and Over Exemption and 33.0% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2002 was \$295.4 million, for an average of \$1,534. An additional \$75.0 million in estimated payments came from 2001 tax returns that applied their refunds as a 2002 estimated payment, for an average of \$1,685. Estimated payments received through September 2004 for tax year 2004 are as follows:

9/04	140ES payment	\$75,436,574	Cumulative	\$193,037,528
8/03	140ES payment	\$11,660,153	Cumulative	\$107,006,901
	% change	547.0		80.4
9/04	Average payment	\$1,784	Cumulative	\$1,481
9/03	Average payment	\$985	Cumulative	\$1,132
	% change	81.1		30.8
9/04	Applied refund	\$5,114,610	Cumulative	\$36,274,441
9/03	Applied refund	\$5,234,385	Cumulative	\$38,842,084
	% change	(2.3)		(6.6)
Total 9/04		\$80,551,184	Cumulative	\$229,311,969
Total 9/03		\$16,894,538	Cumulative	\$145,848,985
	% change	376.8		57.2

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2003, \$544,701,458 was received for the first quarter of 2002. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2003, which shows an increase of 2.5% in withholding payments over the second quarter of 2002. Growth in quarters for which information is still being gathered is as follows:

3 rd Quarter 2003	(2.8%)	1 st Quarter 2004	2.4%
4 th Quarter 2003	0.8%	2 nd Quarter 2004	(1.9%)
		3 rd Quarter 2004	(1.0%)

Current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2004	14,971	\$5,273,190	\$352.93
Calendar Year 2003	14,779	\$5,044,397	\$341.32
% Change	1.3	4.5	3.4

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2003:

	September 2004	Calendar Year Total
Check Off	\$32,134	\$4,131,720
Voluntary Donation	\$552	\$46,112
Number of Returns	4,180	568,697

Contributions on the Individual Income Tax Return

Through September 2004, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	9,498	\$166,923	\$17.57
Child Abuse	10,365	190,512	18.38
Special Olympics	4,992	78,137	15.65
Neighbors Helping	2,899	38,479	13.27
AID to Education	603	43,268	71.75
Domestic Violence Shelter	7,515	137,482	18.29
Democratic Party	1,109	26,682	24.06
Republican Party	699	16,723	23.92
Libertarian Party	86	1,730	20.12

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	September 2004	September 2003	% Change
Gross Collections	\$128,929,320	\$94,502,857	36.4
Refunds	(\$6,570,919)	(\$6,579,280)	(0.1)
Net Collections	\$122,358,400	\$87,923,577	39.2

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% Change
Gross Collections	\$177,891,090	\$129,075,794	37.8
Refunds	(\$13,286,337)	(\$16,927,784)	(21.5)
Net Collections	\$164,604,753	\$112,148,010	46.8

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

September 2004	\$115,893,050	Calendar Year Total	\$366,963,561
September 2003	<u>\$88,631,115</u>	Calendar Year Total	<u>\$306,134,309</u>
% Change	30.8	% Change	10.9

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for September 2004 and for the calendar year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
September 2004	463	79	101	11	15	1	670	5.5
September 2003	455	58	95	11	16	0	635	
CY 2004	2,107	292	345	49	56	1	2,850	7.9
CY 2003	2,014	231	289	54	54	0	2,642	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 2003/04 by corporate fiscal year. For example, in FY 2003/04, 9.2% of the refund dollars paid were for corporate fiscal years ending in 1999 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	99 & Prior	00	01	02	03	04
FY 2003/04	9.2%	2.7%	3.0%	74.5%	10.4%	0.2%
Corporate Fiscal Year-End:	00 & Prior	01	02	03	04	05
FY 2004/05	10.3%	1.9%	3.1%	79.9%	4.8%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year.

September 2004	\$8,872,986	Calendar Year Total	\$57,535,847
September 2003	<u>\$1,802,981</u>	Calendar Year Total	<u>\$66,422,890</u>
% Change	392.1	% Change	(13.4)

Corporate Income Tax Document Count

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2002. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	289	34,612	54,649	355	10,889
%	0.3	34.3	54.2	0.4	10.8

Through September 2004, 93,485 documents have been received for a fiscal year-end of 2003, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	182	27,645	54,485	287	10,886
%	0.2	29.6	58.3	0.3	11.6

The figures shown above for the 2003 returns are most meaningful when compared to 2002 returns received during the same period of time in the previous year. Through September 2003, the Arizona Department of

Revenue received 78,545 documents with a fiscal year-end of 2002. Compared to 2003 documents, the department has seen a 19.0% increase in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2004/05 is 15.0% of net proceeds from Fiscal Year 2002/03 income tax. Amounts returned for September 2004 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	September 2004	September 2003	% change
Distribution Base	\$115,621,740	\$107,496,222	7.6%
Non shared	229,416,549	210,353,785	9.1%
Use Tax	48,434,236	45,281,958	7.0%
Education Tax	43,101,597	39,875,338	8.1%
Other Revenues	22,229,731	19,518,769	13.9%
Total Collections	\$458,803,853	\$422,526,071	8.6%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Distribution Base	\$350,764,809	\$323,227,912	8.5%
Non shared	687,884,528	630,858,029	9.0%
Use Tax	147,034,572	135,808,983	8.3%
Education Tax	129,686,768	118,521,443	9.4%
Other Revenues	67,406,302	57,345,848	17.5%
Total Collections	\$1,382,776,979	\$1,265,762,215	9.2%

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	September 2004	September 2003	% change
Retained by State	\$291,524,219	\$266,948,000	9.2%
Returned to Counties	46,838,367	43,546,719	7.6%
Returned to Cities	28,905,435	26,874,055	7.6%
Education Tax	43,101,597	39,875,338	8.1%
Other Revenues	48,434,236	45,281,958	7.0%
Total Collections	\$458,803,853	\$422,526,071	8.6%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Retained by State	\$876,269,612	\$799,685,184	9.6%
Returned to Counties	142,094,824	130,939,627	8.5%
Returned to Cities	87,691,202	80,806,978	8.5%
Education Tax	129,686,769	118,521,443	9.4%
Other Revenues	147,034,572	135,808,983	8.3%
Total Collections	\$1,382,776,979	\$1,265,762,215	9.2%

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	September 2004	% Chg	Fiscal Year Total	% Chg
Transporting	5.6%	\$324,176	21.0%	\$803,435	-12.3%
Non-Metal Mining Oil/Gas	3.125%	734,667	-2.3%	2,366,578	9.4%
Utilities	5.6%	36,527,931	8.2%	102,512,018	6.0%
Communications	5.6%	12,515,196	7.6%	37,182,691	4.3%
Private Car/Pipelines	5.6%	68,199	-22.3%	188,619	2.1%
Publishing	5.6%	566,751	-28.3%	1,706,293	-17.0%
Job Printing	5.6%	1,475,640	3.9%	4,327,241	-2.0%
Restaurants & Bars	5.6%	28,891,127	8.5%	88,498,256	9.3%
Amusements	5.6%	2,746,312	11.6%	9,442,691	6.9%
Commercial Lease	0%	1,629	-69.3%	30,178	-202.3%
Rental of Personal Property	5.6%	12,467,741	9.4%	40,324,177	6.1%
Contracting	3.75% - 5.6%	65,048,221	21.8%	191,537,901	18.4%
Feed Wholesale	Repealed	0	NA	0	NA
Retail	5.6%	175,914,165	4.2%	535,602,960	6.6%
Mining Severance	2.5%	1,083,880	321.8%	3,128,381	367.4%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	804	3.2%	2,401	51.8%
Hotel/Motel	5.5%	6,190,659	6.1%	19,772,439	7.3%
Membership Camping	5.6%	3,647	7.9%	13,551	-49.6%
Use Tax	5.6%	22,269,013	14.1%	67,445,583	17.6%
Rental Occupancy Tax	3.0%	1,787	-82.9%	(12,020)	-138.5%
Jet Fuel	\$.0305/\$.0105 gal	433,370	44.4%	1,211,574	18.0%
Telecommunications Devices	1.1		NA	0	NA
Telecomm	----	346,751	-10.7%	1,067,182	-23.4%
School for the Deaf and Blind		117,283	-9.3%	359,099	177.6%
Poison Control	----	91,787	-9.3%	281,033	-40.6%
Teratogen Funding		5,099	NA	10,115	NA
911 Wireline	\$0.37/month per active service	1,157,322	4.8%	3,441,375	3.0%
911 Wireless	\$0.37/month per active service	1,062,092	2.1%	3,161,858	7.1%
Total		\$370,045,249	8.8%	\$1,114,405,611	9.3%

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	September 2004	% Chg	Fiscal Year Total	% Chg
Transporting	\$6,483,521	21.0%	\$16,091,734	-12.2%
Non-Metal Mining Oil/Gas	23,509,355	-2.3%	75,819,279	9.6%
Utilities	730,558,611	8.2%	2,052,270,014	6.1%
Communications	250,303,918	7.6%	744,540,504	4.4%
Private Car/Pipelines	1,363,972	-22.3%	3,776,431	2.2%
Publishing	11,338,390	-28.2%	34,166,564	-16.9%
Job Printing	29,512,809	3.9%	86,657,349	-1.9%
Restaurants & Bars	577,835,429	8.5%	1,772,257,578	9.5%
Amusements	54,926,230	11.6%	189,125,256	7.0%
Commercial Lease	120,210	-124.7%	880,794	-422.1%
Rental of Personal Property	249,354,814	9.4%	807,474,749	6.2%
Contracting	1,322,436,660	23.8%	3,858,919,846	19.3%
Feed Wholesale	0	NA	0	NA
Retail	3,520,222,503	4.2%	10,726,590,540	6.8%
Mining Severance	43,355,199	321.8%	125,229,425	367.7%
Timber Severance	488	33.6%	1,226	65.1%
Hotel/Motel	112,557,438	6.1%	360,111,646	7.5%
Membership Camping	72,936	NA	272,547	-42.0%
Use Tax	444,690,048	14.1%	1,348,516,868	17.8%
Rental Occupancy Tax	59,583	-82.9%	(398,881)	-138.3%
Total	\$7,378,702,115	9.4%	\$22,202,303,470	9.8%

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

A credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. **Due to our new processing system, the report needed to provide this data is not available.**

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information since January 2004 is not yet available. Once it is available, it will be sent under separate cover.

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for September 2004 is shown in the County Share column.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$327,810	0.7%	\$1,010,790	6.9%
Cochise	820,349	1.7%	2,438,121	5.4%
Coconino	1,268,830	2.7%	3,826,714	4.2%
Gila	353,184	0.7%	1,072,860	4.5%
Graham	204,215	0.4%	609,026	6.4%
Greenlee	157,480	0.4%	456,386	28.7%
La Paz	128,175	0.3%	382,774	7.7%
Maricopa	27,621,939	61.3%	83,505,900	8.8%
Mohave	1,215,073	2.8%	3,670,911	12.1%
Navajo	723,033	1.6%	2,165,740	6.9%
Pima	6,643,694	14.4%	19,637,585	7.6%
Pinal	1,182,330	2.6%	3,512,213	8.7%
Santa Cruz	282,421	0.6%	858,850	5.1%
Yavapai	1,526,640	3.4%	4,541,426	9.4%
Yuma	1,091,544	2.4%	3,250,331	9.4%
Total	\$43,546,719		\$130,939,627	8.5%

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for July 2004 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during September 2004 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		\$98,920							
Cochise		525,493							
Coconino		981,765	\$588,650					\$243,974	
Gila	\$226,110	220,717							
Graham		93,645							
Greenlee		74,018							
La Paz		68,382	68,383				(\$46)		
Maricopa	24,463,476		9,144,779	\$407,197	\$497				\$1,025,806
Mohave		545,681							
Navajo		494,594							
Pima				113,056		7,068			
Pinal	921,104	906,378							
Santa Cruz		195,395							
Yavapai		1,150,879	576,096						
Yuma		761,756	761,681					758,870	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in September 2004. The table compares the receipts to September 2003 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	September 2004	September 2003	% Change
Spirituous	\$1,862,737	\$1,616,658	15.2
Vinous	522,060	753,302	(30.7)
Malt	1,528,553	1,795,068	(14.8)
Cigarette	22,123,760	19,953,929	10.9
Other Tobacco	762,658	637,904	19.6
Tobacco Licenses	250	425	(41.2)
Total	\$26,800,018	\$24,757,286	8.3

	Fiscal Year (04/05)	Fiscal Year (03/04)	% Change
Spirituous	\$5,347,740	\$4,968,278	7.6
Vinous	2,039,848	2,102,497	(3.0)
Malt	5,593,243	5,348,894	4.6
Cigarette*	67,945,451	63,836,896	6.4
Other Tobacco	2,124,076	1,871,000	13.5
Tobacco Licenses	875	1,550	(43.5)
Total	\$83,051,234	\$78,129,116	6.3

*Through September 2004, \$435,400 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

General Fund revenues from luxury taxes:

	September 2004	Fiscal Year (04/05)
Spirituous	\$1,303,916	\$3,743,418
Vinous	130,072	508,038
Malt	382,138	1,398,310
Cigarette	2,999,411	9,204,349
Other Tobacco	118,212	330,504
Tobacco Licenses	250	875
Total	\$4,933,999	\$15,185,495

Other dedicated revenues from luxury taxes:

	September 2004	Fiscal Year (04/05)
Correction Fund revenues	\$1,890,106	\$6,363,293
Tobacco Tax & Health Care Fund ²	\$7,759,074	\$23,654,580
Tobacco Products Tax Fund ³	\$11,516,583	\$35,399,047
Wine Promotional Fund revenues	\$1,773	\$7,695
Drug Treatment & Education Fund revenues	\$499,183	\$1,746,913
Corrections Revolving Fund revenues	\$199,301	\$694,210

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

September 2004	\$4,528,563	Fiscal Year to Date	\$12,754,491
September 2003	\$3,049,954	Fiscal Year to Date	\$10,624,500
% Change	48.5	% Change	20.0

Bingo

September 2004	\$38,303	Fiscal Year to Date	\$145,306
September 2003	\$38,455	Fiscal Year to Date	\$146,925
% Change	(0.4)	% Change	(1.1)

Unclaimed Property

September 2004	\$681,226	Fiscal Year to Date	\$1,803,124
September 2003	\$402,860	Fiscal Year to Date	\$2,239,238
% Change	69.1	% Change	(19.5)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2004 for Tax Year 2003
Through September 2004

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,585	1.1%	-\$15,057	\$1	16.5%	76.6%	4.2%	2.8%	14.3%	10.6%
\$0-\$5,000	52,689	22.4%	\$2,688	\$1	3.9%	85.2%	10.0%	0.9%	3.9%	14.8%
\$5,000-\$10,000	49,663	21.1%	\$7,362	\$25	7.1%	73.8%	17.9%	1.2%	5.7%	25.9%
\$10,000-\$15,000	34,020	14.5%	\$12,346	\$91	13.9%	57.5%	26.9%	1.7%	8.4%	38.4%
\$15,000-\$20,000	24,412	10.4%	\$17,362	\$169	20.4%	48.8%	28.5%	2.4%	8.6%	43.2%
\$20,000-\$25,000	16,736	7.1%	\$22,362	\$273	25.2%	43.1%	28.5%	3.1%	8.0%	46.4%
\$25,000-\$30,000	11,864	5.0%	\$27,383	\$391	29.3%	40.4%	26.5%	3.8%	8.1%	46.4%
\$30,000-\$40,000	15,035	6.4%	\$34,480	\$554	36.4%	37.5%	22.0%	4.1%	8.6%	45.1%
\$40,000-\$50,000	8,941	3.8%	\$44,629	\$776	48.1%	31.7%	17.0%	3.2%	10.2%	46.3%
\$50,000-\$75,000	11,231	4.8%	\$60,641	\$1,158	62.9%	24.3%	10.4%	2.4%	12.9%	46.0%
\$75,000-\$100,000	4,170	1.8%	\$85,446	\$1,857	72.6%	19.2%	6.6%	1.7%	14.5%	45.1%
\$100,000-\$200,000	3,053	1.3%	\$129,090	\$3,299	74.4%	18.0%	6.1%	1.5%	16.2%	43.2%
\$200,000-\$500,000	540	0.2%	\$283,123	\$9,607	72.6%	20.7%	4.6%	2.2%	21.2%	38.0%
\$500,000-\$1,000,000	67	0.0%	\$654,918	\$24,072	56.5%	30.4%	5.8%	7.2%	24.6%	33.3%
\$1,000,000 and over	46	0.0%	\$1,827,819	\$79,118	59.6%	36.2%	4.3%	0.0%	19.1%	19.1%
Total	235,052		\$19,745	\$316	19.7%	59.3%	19.1%	2.0%	7.4%	33.0%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2003 FOR TAX YEAR 2002

Total	220,129	\$20,256	\$329	20.2%	57.0%	20.6%	2.2%	7.6%	34.7%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
September 2004

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$236,512	30,848
Eagar	\$30,921	4,033	Tempe	1,216,180	158,625
Springerville	15,119	1,972	Tolleson	38,136	4,974
St. Johns	27,203	3,548	Wickenburg	38,964	5,082
<u>Cochise County</u>			Youngtown	23,078	3,010
Benson	36,119	4,711	<u>Mohave County</u>		
Bisbee	46,692	6,090	Bullhead City	258,907	33,769
Douglas	126,682	16,523	Colorado City	25,562	3,334
Huachuca City	13,425	1,751	Kingman	153,869	20,069
Sierra Vista	289,621	37,775	Lake Havasu City	321,539	41,938
Tombstone	11,531	1,504	<u>Navajo County</u>		
Willcox	28,621	3,733	Holbrook	37,699	4,917
<u>Coconino County</u>			Pinetop-Lakeside	27,463	3,582
Flagstaff	405,539	52,894	Show Low	58,998	7,695
Fredonia	7,943	1,036	Snowflake	34,195	4,460
Page	52,205	6,809	Taylor	24,350	3,176
Williams	21,790	2,842	Winslow	72,990	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	57,395	7,486	Marana	103,934	13,556
Hayden	6,839	892	Oro Valley	244,838	31,934
Miami	14,843	1,936	Sahuarita	24,856	3,242
Payson	104,425	13,620	South Tucson	42,092	5,490
Winkelman	3,396	443	Tucson	3,731,528	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	15,250	1,989	Apache Junction	243,918	31,814
Safford	70,782	9,232	Casa Grande	193,393	25,224
Thatcher	30,837	4,022	Coolidge	59,695	7,786
<u>Greenlee County</u>			Eloy	79,545	10,375
Clifton	19,904	2,596	Florence	116,853	15,241
Duncan	6,226	812	Kearny	17,243	2,249
<u>La Paz County</u>			Mammoth	13,509	1,762
Parker	24,074	3,140	Maricopa	38,319	4,998
Quartzsite	25,715	3,354	Superior	24,948	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	275,115	35,883	Nogales	160,072	20,878
Buckeye	65,147	8,497	Patagonia	6,755	881
Carefree	22,441	2,927	<u>Yavapai County</u>		
Cave Creek	28,583	3,728	Camp Verde	72,461	9,451
Chandler	1,356,594	176,939	Chino Valley	62,617	8,167
El Mirage	58,338	7,609	Clarkdale	26,237	3,422
Fountain Hills	155,142	20,235	Cottonwood	70,376	9,179
Gila Bend	15,181	1,980	Jerome	2,522	329
Gilbert	841,048	109,697	Prescott	260,203	33,938
Glendale	1,677,635	218,812	Prescott Valley	180,443	23,535
Goodyear	144,991	18,911	Sedona	78,142	10,192
Guadalupe	40,083	5,228	<u>Yuma County</u>		
Litchfield Park	29,211	3,810	San Luis	117,474	15,322
Mesa	3,049,754	397,776	Somerton	35,673	7,266
Paradise Valley	104,762	13,664	Wellton	14,023	1,829
Peoria	830,828	108,364	Yuma	595,612	77,685
Phoenix	10,128,471	1,321,045			
Queen Creek	33,091	4,316	TOTAL	\$31,089,382	4,057,566
Scottsdale	1,554,142	202,705			

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
September 2004

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,444,037	202,705
Eagar	\$28,730	4,033	Surprise	219,756	30,848
Springerville	14,048	1,972	Tempe	1,130,018	158,625
St. Johns	25,275	3,548	Tolleson	35,434	4,974
<u>Cochise County</u>			Wickenburg	36,203	5,082
Benson	33,560	4,711	Youngtown	21,443	3,010
Bisbee	43,384	6,090	<u>Mohave County</u>		
Douglas	117,707	16,523	Bullhead City	240,565	33,769
Huachuca City	12,474	1,751	Colorado City	23,751	3,334
Sierra Vista	269,103	37,775	Kingman	142,968	20,069
Tombstone	10,714	1,504	Lake Havasu City	298,759	41,938
Willcox	26,593	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	35,028	4,917
Flagstaff	376,808	52,894	Pinetop/Lakeside	25,518	3,582
Fredonia	7,380	1,036	Show Low	54,818	7,695
Page	48,506	6,809	Snowflake	31,772	4,460
Williams	20,246	2,842	Taylor	22,625	3,176
<u>Gila County</u>			Winslow	67,819	9,520
Globe	53,329	7,486	<u>Pima County</u>		
Hayden	6,354	892	Marana	96,571	13,556
Miami	13,792	1,936	Oro Valley	227,493	31,934
Payson	97,027	13,620	Sahuarita	23,095	3,242
Winkelman	3,156	443	South Tucson	39,110	5,490
<u>Graham County</u>			Tucson	3,467,164	486,699
Pima	14,169	1,989	<u>Pinal County</u>		
Safford	65,767	9,232	Apache Junction	226,638	31,814
Thatcher	28,652	4,022	Casa Grande	179,692	25,224
<u>Greenlee County</u>			Coolidge	55,466	7,786
Clifton	18,493	2,596	Eloy	73,910	10,375
Duncan	5,785	812	Florence	108,574	15,241
<u>La Paz County</u>			Kearny	16,022	2,249
Parker	22,369	3,140	Mammoth	12,552	1,762
Quartzsite	23,893	3,354	Maricopa	35,605	4,998
<u>Maricopa County</u>			Superior	23,181	3,254
Avondale	255,625	35,883	<u>Santa Cruz County</u>		
Buckeye	60,531	8,497	Nogales	148,731	20,878
Carefree	20,851	2,927	Patagonia	6,276	881
Cave Creek	26,558	3,728	<u>Yavapai County</u>		
Chandler	1,260,484	176,939	Camp Verde	67,327	9,451
El Mirage	54,205	7,609	Chino Valley	58,180	8,167
Fountain Hills	144,151	20,235	Clarkdale	24,378	3,422
Gila Bend	14,105	1,980	Cottonwood	65,390	9,179
Gilbert	781,463	109,697	Jerome	2,344	329
Glendale	1,558,781	218,812	Prescott	241,769	33,938
Goodyear	134,719	18,911	Prescott Valley	167,659	23,535
Guadalupe	37,243	5,228	Sedona	72,606	10,192
Litchfield Park	27,142	3,810	<u>Yuma County</u>		
Mesa	2,833,691	397,776	San Luis	109,151	15,322
Paradise Valley	97,340	13,664	Somerton	51,762	7,266
Peoria	771,967	108,364	Wellton	13,030	1,829
Phoenix	9,410,908	1,321,045	Yuma	553,415	77,685
Queen Creek	30,746	4,316			
			TOTAL	\$28,905,435	4,057,566